



**UNITED STATES OF AMERICA
DEPARTMENT OF TRANSPORTATION
OFFICE OF THE SECRETARY
WASHINGTON, D.C.**

Issued by the Department of Transportation
on the 15th day of January, 2003

Essential air service at

**AUGUSTA/WATERVILLE, MAINE
BAR HARBOR, MAINE
ROCKLAND, MAINE
RUTLAND, VERMONT**

under 49 U.S.C. 41731 *et seq.*

Served: January 21, 2003

Docket OST-97-2784

ORDER SETTING INTERIM SUBSIDY RATES

Summary

By this order, the Department is extending as interim rates the recently expired subsidy rates for the essential air services operated by Colgan Air, Inc., d/b/a US Airways Express, at the four communities listed above, until new final rates can be established.

Background and Decision

By Order 2002-3-27, March 28, 2002, the Department established final subsidy rates for Colgan's ongoing essential air services at Augusta/Waterville, Bar Harbor and Rockland, Maine, and Rutland, Vermont, through December 31, 2002. Those rates have expired without our having established new rates as yet. Consequently, it is necessary for us to extend the expired rates as interim rates, subject to retroactive adjustment, in order to ensure that Colgan will continued to be paid for its services until the we can establish new final rates retroactive to January 1, 2003. The new final rates may be higher, lower or the same as the interim rates we are extending here.

This order is issued under authority delegated in 14 CFR 385.12(k)(2).

ACCORDINGLY,

1. We extend the subsidy rates for Colgan Air, Inc., d/b/a US Airways Express, for the provision of essential air service at Augusta/Waterville, Bar Harbor and Rockland, Maine, and Rutland, Vermont, as established by Order 2002-3-27, March 28, 2002, as interim rates, subject to retroactive adjustment, effective January 1, 2003, until further Department action;
2. We direct Colgan Air, Inc., d/b/a US Airways Express, to retain all books, records, and other source and summary documentation to support claims for payment, and to preserve and maintain such documentation in a manner that readily permits its audit and examination by representatives

of the Department. Such documentation shall be retained for seven years or until the Department indicates that the records may be destroyed. Copies of flight logs for aircraft sold or disposed of must be retained. The carrier may forfeit its compensation for any claim that is not supported under the terms of this order;

3. This docket will remain open until further order of the Department; and

4. We will serve copies of this order on the mayors and airport managers of Augusta/Waterville, Bar Harbor and Rockland, Maine, and Rutland, Vermont, and on Colgan Air, Inc., d/b/a US Airways Express.

Persons entitled to petition the Department for review of this order under the Department's Regulations, 14 CFR 385.50, must file such petitions within ten days after the date of service of this order.

This order will be effective immediately, and the filing of a petition for review shall not preclude its effectiveness.

By:

RANDALL D. BENNETT
Director
Office of Aviation Analysis

(SEAL)

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